

## ADMINISTRATION AND FINANCE COMMITTEE

DATE: May 15, 2007

CALLED TO ORDER: 5:04 p.m.

ADJOURNED: 6:10 p.m.

### ATTENDANCE

#### Attending Members

Joanne Sanders, Chair  
Vernon Brown  
Lance Langsford  
Lynn McWhirter  
Jackie Nytes  
Lincoln Plowman

#### Absent Members

Paul Bateman

### AGENDA

PROPOSAL NO. 206, 2007 - amends the Code for the purpose of creating a Mayor's Youth Council  
"Do Pass" Vote 5-0

Year-end budget report – Robert Clifford, City Controller, and Controller's Office staff

## ADMINISTRATION AND FINANCE COMMITTEE

The Administration and Finance Committee of the City-County Council met on Tuesday, May 15, 2007. Chair Joanne Sanders called the meeting to order at 5:04 p.m. with the following members present: Vernon Brown, Lance Langsford, Lynn McWhirter, Jackie Nytes, and Lincoln Plowman. Absent was Paul Bateman.

### PROPOSAL NO. 206, 2007 - amends the Code for the purpose of creating a Mayor's Youth Council

Kelly Wood, Neighborhood Liaison, Mayor's Office and volunteer Director, Mayor's Youth Council (MYC), introduced Marquisha Bridgeman, Faith-based Coordinator, Mayor's Office and volunteer Advisor, Mayor's Youth Council. Ms. Wood said that the purpose of the proposal is to make the MYC a permanent fixture in the City of Indianapolis. She said that MYC was created by Mayor Bart Peterson during the election before his first term with the idea that the Council will empower youth and families in Indianapolis by giving them a significant role in city government. MYC was established in 2000 and has been in operation for seven years. Ms. Wood said that all of the money for MYC comes from fundraising and corporate donations. MYC and its work have been recognized as a model organization by the National League of Cities and is currently made up of 31 members representing over 22 high schools. Ms. Wood said in order to possess diversity, the Council ensures at least one membership from each of the nine township high schools and works with various groups to ensure ethnic and cultural diversity. Ms. Wood and Ms. Bridgeman's discussion included a presentation about the Mayor's Youth Council (attached as Exhibit A) with the following key points:

- MYC has monthly meetings with Mayor Peterson
- Members attend a retreat each council year that includes team-building and goal-setting activities.
- Council members seek opportunities to be active in schools, reach out to their peers and volunteer at community events throughout the city.
- Council members coordinated and organized two city-wide book drives. Members worked with schools, businesses, and other organizations to collect over 5,000 books, helping more than 300 students at School #46 create home libraries for summer reading.
- Town Hall meetings at different locations around the city discussing:
  - Youth Violence
  - Graduation Rates
  - ISTEP/No Child Left Behind
  - First Amendment Rights
  - Values/Morals/Ethics
  - Diversity and Religious Tolerance
- Trip to Washington, D.C. made possible by corporate sponsorship, fundraising activities, and private donations made the trip possible. Members met and spoke with lobbyists, journalists, and other leaders including Congresswoman Julia Carson and Senator Richard Lugar. The trip also included tours of the city to learn about events and individuals that have contributed to our country's history.
- Indiana Youth Leadership Conference – given by Ms. Bridgeman
  - Worked with the New Haven Mayor's Youth Advisory Council
  - Help from Indiana Association of Cities and Towns (IACT)
  - More than 280 youth and adults attended

- Council members are proud of their many accomplishments
- Students have gained a variety of experiences by being members of the Council
- It is important to give and continue to give high school students learning opportunities and professional experiences.

Ms. Wood said that the Mayor's Youth Council is a benefit to the City and to the youth of Indiana and the City would benefit by adding it to the Code.

Councillor McWhirter said that she believes that MYC is a wonderful program and stated that she had a few questions that she received from her constituents. Councillor McWhirter asked how many students are in the program. Ms. Wood answered that there were 31 students this year, but there are normally 30 students. Councillor McWhirter asked what the age requirement is for the program. Ms. Wood answered that they must be in or entering high school. Councillor McWhirter asked if the students are in the program for only one year or all of their high school years. Ms. Wood said that the program is through the high school years as long as the student participates. Councillor McWhirter asked if there are more students from a particular area of the City and how the students who participate are chosen. Ms. Wood said that interviews are conducted with every student that applies. The students interview with a Committee that consists of adults and current MYC members. The students are asked questions such as, why they want to be a part of MYC and what they have done in the past that would make them a good fit for the program. She said that the students receive scores during the interview process and are primarily chosen based on their scores, with the exception of ensuring that there is at least one student from each township. Ms. Bridgeman said that there is no GPA requirement or specific achievements that must be met to be chosen. The goal is to have a variety of students with a variety of backgrounds. Councillor McWhirter asked how the schools find out about the program. Ms. Wood said that information is sent to all schools and current MYC members are asked to inform other students about the program. She said that information is also sent to organizations such as, the Boys and Girls Club and the Urban League.

Chair Sanders asked what amount of students has MYC reached to this point. Ms. Wood answered that over 150 students have been involved in the program to date. Chair Sanders asked if the students are followed after high school to examine how the program has an affect on their after-graduation direction. Ms. Wood said that some of the students report back to MYC, and MYC would like to check on the students' progress after graduation, but there is not a current plan in action.

Councillor McWhirter asked if the interviews are conducted in August or September. Ms. Wood answered that applications are being accepted and interviews are conducted in June, as MYC has meetings during the summer.

Councillor Nytes encouraged Ms. Wood and Ms. Bridgeman to examine possible ways for the students of MYC to attend the National League of Cities. She said typically there are youth delegates from other cities that attend and it will be a great opportunity for the students to meet and interact with their peers. She said that she understands that there may be issues of finding the money to fund this endeavor, but she challenges the advisors to try to make it possible. Ms. Wood said that the students were able to attend a National League of Cities convention in Salt Lake City and Baltimore previously, and the students found it to be a rewarding experience, but they have not attended a convention in a couple of years.

Chair Sanders asked what department the Council would fall under. Ms. Bridgeman said that the program falls under the leadership of Deputy Mayor Ellen Quigley in the Mayor's Office.

Deon Green, Kaijah Blackwell, and Kelsey VanWyk, members, Mayor's Youth Council, discussed how MYC has helped them and talked about their experiences with the program. Some of their key points were:

- The program has helped develop leadership skills
- Being part of the program is appealing on college resumes
- The program introduces students to a variety of opportunities outside their comfort zone
- The program engages students in various forms of community service
- The program teaches students the importance of teamwork
- The program offers exposure to many activities and discussions throughout the city
- The program has allowed students to be more aware of current political issues within the city
- The students of the Council help spread the word about issues facing the youth of Indianapolis
- MYC members are able to develop a personal relationship with the Mayor of Indianapolis
- MYC members are introduced to many role models through the program

Councillor Langsford asked if any of the students are put into leadership roles within the program or if all students are considered peers. Ms. Bridgeman said that there has not been any leadership structures developed within the Council, but they allow individuals to display leadership during different events by organizing events and leading the Council in those events. Ms. Wood said that students are asked each year at the Retreat what they would like for the structure of the program to be for the coming year. She said that the students are asked if they want a president, vice president, etc., and the students have always answered in the negative. She said that the students work very well in subcommittees.

Councillor Langsford moved, seconded by Councillor Nytes to forward Proposal No. 206, 2007 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 6-0.

Year-end budget report – Robert Clifford, City Controller, and Controller's Office staff

Robert Clifford, City Controller, distributed a handout (attached as Exhibit B) of the year-end City and County Fund Balances. He also introduced James Johnson, the new Budget Analyst, Office of Finance and Management (OFM). Mr. Clifford said that the City and the County have done good jobs of living within a very restricted budget. His presentation on the year-end budget report is attached as Exhibit C.

Mr. Clifford presented the first part of Exhibit C, Expenditures by Fund. Chair Sanders asked, with regard to the under spending of grants, if there were any repercussions for not spending the money within a period of time. Catherine Parker, Grants Manager, OFM, said that the under spending of the grants is likely related to the fact that the grant year can start in September and carry over through August of the next year. She said that often times the entire amount of the grant is appropriated and the remainder of the grant is available to spend.

Councillor Nytes asked if it is anticipated that the remaining \$6 million will be spent in the remaining life of the grant. Ms. Parker answered in the affirmative. Councillor Nytes said that she perceives under spending to relate that the remaining money will not be spent. Ms. Parker said that often times the City is awarded money by a federal agency for a short time period and it is recognized that there is not an appropriate amount of time to expend the funds. Therefore, the City may receive an award with the knowledge that an extension will have to be requested. Councillor Nytes asked if the remaining amount from a grant can be used for other Fund balances. Ms. Parker answered in the negative.

Mr. Clifford next presented the "2006 Spending" portion of Exhibit C. Councillor Nytes asked if the City has to repay the Welfare Sinking fund again this year. Mr. Clifford answered that \$35 million has to be repaid in 2007 for the amount that was borrowed in 2006. He said that after that repayment, the City will be current.

Councillor Brown asked if Mr. Clifford can recall how many additional jail beds were contracted with Community Corrections of America (CCA). Mr. Clifford answered that 200 additional jail beds were contracted and the beds are not yet filled. He said that the City pays for the beds on an as needed basis. Councillor Brown asked if there are still available jail beds in Marion County. Mr. Clifford answered in the affirmative, and stated that peak season for the need of additional beds appears to be in June and July.

Mr. Clifford went on to discuss Fund Balances (see Exhibit B). Mr. Clifford said that the seventh column of Exhibit B is what is being projected in the 2007 budget that was passed in September 2006. He said that the last column of Exhibit B illustrates a projection of over \$92 million to be in the Fund balance at the end of 2007, but much of that amount is restricted. Mr. Clifford said that page 2 of Exhibit B shows that the County has an Adjusted Fund balance for 12/31/2007 of \$5.3 million. However, the Marion County Auditor has not completed all the year-end reconciliation, so the amounts shown in Exhibit B are not final. Mr. Clifford said that he will watch the amounts that appear to be negative for 2007 and may come back to the Council to find ways to shift money between funds.

Councillor Nytes asked Mr. Clifford to explain the appropriations that will come out of the 2006 Adjusted Fund balance as shown in the sixth column of Exhibit B. Mr. Clifford said that the 2007 appropriations for the Council are added to the Adjusted Fund balance, miscellaneous revenue is subtracted from that amount, and the Levy for the Council is factored into that number to determine the projected 12/31/2007 revised balance. He said that additional appropriations and additional budget revenue was subtracted from the revised balance. Mr. Clifford said that some of the larger appropriations were for Transportation General and Sanitation General. He said that most of the money is restricted money being spent on restricted purposes.

Mr. Clifford continued his presentation from Exhibit C with "Where do 2006 results leave the City for the future?" Chair Sanders said with regard to the \$35 million one time revenue, at one time it was assumed that the City would receive approximately \$22 million from the County Option Income Tax (COIT) Fund from the State. She asked why \$35 million was withheld and when another one time disbursement can be expected. Mr. Clifford said that the Department of Local Government and Finance (DLGF) has the ability to determine what the certified COIT will be. The State collects COIT and deposits it into the County Trust Fund throughout the fiscal year of July

through June. He said that at the end of June, the amount that is in Marion County's account is calculated and the State certifies how much they will distribute. The State is giving Marion County approximately \$17.3 million per month for 2007. Mr. Clifford said that by state law, the State does not have to give Marion County the \$22 million until January 2008. Chair Sanders asked if the State is only able to hold back so many months of estimated COIT. Mr. Clifford answered in the negative and stated that it is based on the judgment of the Fiscal Advisors.

Chair Sanders asked Mr. Clifford to explain how HB 1478 will help the City. Mr. Clifford said that HB 1478 will give some financial flexibility to local governments. Essentially it states that the property taxes will be frozen for two years and income taxes will be added to that amount. He said that if the City accepts that provision, a special income tax rate will also apply that is attributable to Public Safety. Mr. Clifford said that the bill also allows local governments to provide property tax relief to homesteaders as long as the money is given as property tax credits. He said that he is meeting with the DLGF to obtain a better understanding of the bill's contents. Chair Sanders asked Mr. Clifford to forward any additional information about the bill to the Council.

Councillor McWhirter asked if the excess COIT is the money that the City was asked to put into a "Rainy Day" fund. Mr. Clifford answered in the affirmative. Councillor McWhirter asked what will be done due to the failing passage of the Indianapolis Works Countywide Consolidation of Fire Departments. Mr. Clifford said that the Controller's Office is planning to recommend that the Council accept the new contract as it is written. He said that the contract does not award the City the \$15 million in operational savings, but does provide stability for the Public Safety Income Tax to pay for what is needed for the Fire Department salaries. Mr. Clifford said that the Controller's Office will take the contract to the Rules and Public Policy Committee on Tuesday, May 22, 2007 to be approved by the Council.

Councillor Nytes said that all of the new provisions of HB 1478 require action by the Council and she believes that early acceptance of fiscals will be beneficial to the City. Mr. Clifford said that if revenues are not available to take with the contract, a funding clause still exists.

Councillor Brown asked if a Fiscal Impact Statement for the Metropolitan Police Department and the Indianapolis Fire Department will be presented at the Rules and Public Policy Committee on Tuesday, May 22, 2007. Mr. Clifford answered in the affirmative. Councillor Brown asked if the City will honor their obligations to the Police Department and to the Fire Department for the new contracts. Mr. Clifford answered that it is the City's plan. Councillor Brown asked if the City now only has the ability to raise income taxes to fund Public Safety as opposed to raising hotel, motel or ticket tax. Mr. Clifford answered in the affirmative and stated that is a provision of Hometown Matters, which is from the Indiana Association of Cities and Towns.

Chair Sanders said that she had conversations with the Controller, and hopefully efforts will be made to reorganize the budget process to get some parts done earlier this year. She asked if agency directors are currently reviewing their budgets and if they are aware that efforts are being made to quicken the process. Mr. Clifford answered in the affirmative, and stated that some obstacles have been identified and are being worked on.

Councillor Nytes asked where the City is on the audit. Mr. Clifford answered that the 2006 City CAFR audit is progressing well with a target completion date of June 30, 2007. He said that there

are still some issues with the County CAFR, as there has been almost a complete turnover within the County Auditor's Office. Ms. Parker said that the Controller's Office has provided all the information needed to external auditors for the 2004 County Single Audit. She said that she is hoping to get a response within the next few weeks. Chair Sanders asked if there is a timetable. Mr. Clifford answered that nothing is being negotiated past June 30 at this time. Ms. Parker said that the intent is to get caught up on the audits as quickly as possible. She said that the 2006 County Single Audit will be due September 30, 2007, but she does not believe that it will be completed. Mr. Clifford said that everyone is diligently working to get the all of the audits completed and up-to-date.

Councillor Nytes expressed appreciation for the work of the Controller's Office, as this is a critical time to grasp the current financial situation of the City.

#### New Business

Councillor Brown said, with regard to Election Inspectors, there are long hours, hard work, low pay, and slow pay. He asked if the Inspector's rate can be increased and payments expedited. Mr. Clifford said that he believes that those are issues that can be discussed in the new Committee that the Council is forming. He said that he believes if more money is offered, more people may commit to working the poles, including clerks.

With no further business pending, and upon motion duly made, the Administration and Finance Committee of the City-County Council was adjourned at 6:10 p.m.

Respectfully submitted,

Joanne Sanders, Chair  
Administration and Finance Committee